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C O N F I D E N T I A L SECTION 01 OF 02 MUSCAT 002285

SIPDIS

DEPT FOR SA/INS, NEA, NEA/ARPI

E.O. 12958: DECL: 12/29/2014

TAGS: PREL ETRD EPET KCRM MARR IN MU

SUBJECT: INDIA WINS OMANI SUPPORT FOR UNSC SEAT, DEEPENS TIES

REF: NEW DELHI 8053

Classified By: Ambassador Richard L. Baltimore III.

Reason: 1.4 (b, d).

SUMMARY

SUMMAR

11. (U) On December 25-26, Indian Minister of External Affairs Natwar Singh met with Sultan Qaboos and various government ministers to boost bilateral relations. Oman formally announced its backing of India's bid for a permanent seat on the UN Security Council, and the two parties pledged to continue joint naval exercises. During the brief visit, both countries signed a landmark treaty of extradition, reviewed opportunities for increasing India's presence in the oil and gas sector, and discussed further cooperation in the areas of information technology, trade and investment, and labor. Singh's stay ended with the much anticipated groundbreaking of the new Indian Embassy next door to the U.S. mission. END SUMMARY.

THE INSIDE SCOOP

12. (C) In a December 27 meeting with the Ambassador, Minister Responsible for Foreign Affairs Yusuf bin Alawi (YBA) characterized Indian Minister of External Affairs Natwar Singh's visit as having gone "very well." Bin Alawi said Singh was extremely positive on Indo-U.S. relations and the course of confidence building with Pakistan, noting that Singh was looking forward to the meeting of the Indian and Pakistani PM's at the South Asian Summit in January. Bin Alawi confirmed that Oman had formally pledged to support India's bid for a permanent seat on the UN Security Council. On a minor note, the Minister said a diplomatic dinner scheduled for Christmas in Singh's honor was canceled in mourning for the death of former Indian PM Narasimha Rao.

COOPERATION ABOUNDS

- 13. (U) On December 25, the Indian minister met with Sultan Qaboos to deepen bilateral relations and reaffirm India's commitment to peace and stability in the region. Oman expressed interest in India's information technology, pharmaceuticals, and bio-technology sectors. Reaching a milestone in their bilateral relations, the two countries signed a treaty of extradition. Moreover, Oman participated fully in the 50th anniversary celebrations of India's diplomatic presence in Oman.
- 14. (U) Singh and Commerce and Industry Minister Maqbool bin Ali Sultan focused on increasing trade and investment, both bilaterally and regionally, including building further on the success of the \$1 billion joint venture Oman-India Fertilizer project and resolving outstanding labor issues. In a subsequent meeting with Sayyid Badr bin Saud al-Busaidi, Minister Responsible for Defense Affairs, the two parties reviewed ongoing defense ties, particularly the continuation of joint naval exercises and increased training of Omanis in Indian defense institutions.
- 15. (U) In his meeting with Dr. Mohammed bin Hamad al-Romhi, Minister of Oil and Gas, Singh sought to collaborate more closely in the extractive industries sector. Much of the talk centered around enhancing India's presence in the hydrocarbon sector of Oman, primarily through onshore and offshore exploration for oil and gas and the provision of services and supplies for current drilling operations. In a brief meeting with Sayyid Haitham bin Tariq, Minister of Heritage and Culture, Singh discussed potential avenues to further bilateral cultural understanding, including undertaking joint research of archival documents and publications on the historical ties between the two countries. Finally, the two nations signed a memo of understanding between the State Audit Institution of Oman and the Comptroller and Auditor General of India for cooperation in audit matters.

NEW NEIGHBORS

16. (SBU) The Minister's program culminated in the much anticipated groundbreaking of the new Indian Embassy. The future chancery will include the ambassador's residence as well as a 500-seat multipurpose auditorium for cultural and social occasions. Yusuf bin Alawi was in attendance as Minister Singh laid the cornerstone in the final hours of his whirlwind visit. YBA said Singh was buoyant at the notion of putting India's mission in the vacant lot immediately between the U.S. and UK embassies, amongst the "Superpowers." Bin Alawi said he did not have the heart to tell Singh that Turkey will eventually build a new embassy between the Indians and UK.

COMMENT

17. (C) While intemperate Omanis are still occasionally heard to grumble about the "Hindu" presence among the resident expatriate community, Indo-Omani relations are quite strong (reftel) and appear to be deepening. From Oman's perspective, India is more than simply a source of cheap manual labor. Rather, it is increasingly a source of foreign direct investment in the expanding gas-fed industries, as well as a ready market for fertilizer and other future Omani exports. Oman also banks on India's IT expertise for local human resource development, with an increasing number of formal relationships between technical training institutes. And despite Oman's close historical connections to Pakistan (primarily Baluchistan), the Sultanate does not shy away from military linkages to New Delhi or supporting India's bid for a UNSC seat. BALTIMORE